

## **APPENDIX A**

### **DEFINITIONS**



## APPENDIX A DEFINITIONS

**Acquisition Strategy.** A conceptual framework for conducting acquisitions, encompassing the broad concepts and objectives which direct and control the overall development, production, and deployment of product, construction or service procured. It evolves in parallel with the maturation of the procurement. Acquisition strategy must be stable enough to provide continuity, but dynamic enough to accommodate change. For services, the Acquisition Plan (*see* FAR 7.1 and applicable CETAC regulations) provides the conceptual framework for conducting the acquisition.

**Best Value.** A process used in competitive negotiated contracting to select the most advantageous offer by evaluating and comparing factors in addition to cost or price.

**Competitive Range.** In the context of a particular procurement, the offerors determined to have a reasonable chance of being awarded a contract.<sup>1</sup> This evaluation is based upon cost or price and other factors stated in the solicitation. The competitive range is established for the purpose of conducting oral or written discussions with offerors in this category.

**Cost.** Total cost to the Government for performance of a contract. This may include all projected costs over the life of the contract, including the value assigned to any performance risk assessed, contract administration costs, audit, and adjustments necessitated by conducting a cost realism analysis.

**Deficiency.** Any part of a proposal that fails to satisfy the Government's requirements.

**Design Specification.** A specification that establishes precise measurement, tolerances, materials, in processes and finished product tests, quality control, inspection requirements, and other specific details of the deliverable.

**Discussion.**<sup>2</sup> Any oral or written communication between the Government and an offeror (other than communications conducted for the purpose of minor clarification), whether or not initiated by the Government, that (a) involves information essential for determining the acceptability of a proposal, or (b) provides the offeror an opportunity to revise or modify its proposal.

**Evaluation Criteria.** Minimum requirement evaluation criteria are usually statements of the

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<sup>1</sup> When FARA is implemented, this definition will change. *See* discussion at VIII.B.3, above.

<sup>2</sup> *See* Footnote 62.

minimum level of compliance with a contract requirement which must be offered for a proposal to be considered acceptable. They must be disclosed in the solicitation. Proposal evaluation criteria are evaluation factors, subfactors, and evaluation plans or methodologies with indicators that measure how well an offeror's response meets the solicitation's requirements. Proposal evaluation methodologies may not be disclosed.

**Formal Source Selection.** A structured, compartmented process that uses a source selection organization for evaluating proposals and selecting the source(s) for award. A formal source selection organization is a three-tiered structure; including an evaluation board (SSEB), an advisory council (SSAC) and designated source selection authority (SSA). (For acquisitions of lesser complexity or dollar value, a more streamlined two-tiered organization, consisting of the SSEB and the SSA, may be appropriate.) These groups accomplish proposal evaluation, comparative analysis of the proposals, and source selection. The SSA is at a management level above that of the contracting officer. Army formal source selection procedures are set forth at AFARS Appendix AA.

**Functional Specifications.** Specifications that describe the deliverable(s) in terms of form, fit, and function, or result desired, and in terms of performance characteristics required to satisfy the intended use.

**Performance Specifications.** Specifications that describe the deliverable(s) in terms of desired operational characteristics or ultimate use.

**Proposal Evaluation.** An integrated assessment which uses minimum requirements, evaluation factors, significant subfactors, and evaluation plans or methodologies to determine each offeror's ability to satisfy the solicitation requirements. The process examines and assesses the merits of each proposal against the solicitation requirements and rates the proposals on each evaluation factor and subfactor identified in the solicitation.

**Rating.** The application of a scale of words, colors or numbers, used in conjunction with narrative, to describe the degree to which the proposal has met the standard for a non-cost (technical) factor.

**Scope of Work.** A general description of the work the parties intend will be performed under a contract. Work outside these parameters generally requires justification as a sole source acquisition in accordance with applicable regulatory procedures.

**Source Selection Authority.** In informal source selections, the procuring contracting officer (PCO). In formal source selections, usually a higher-ranking agency official, at a level above the PCO.

**Source Selection Plan.** The documented plan, approved by the SSA, which describes the source selection organization and explains how proposals are to be solicited, evaluated and analyzed to

make the selection decision. It is the Government's plan for how it intends to acquire its needs.

**Source Selection Process.** In competitive, negotiated acquisitions, the process leading to selection of a contractor that can best meet the Government's needs as described in the solicitation. It ensures impartial, equitable and comprehensive evaluation of each offered proposal in order to select the proposal offering the most advantageous alternative to the Government.

**Specification.** A description of the technical requirements for a material, product or service to be provided under a contract, which includes the criteria for determining whether the requirements are met.

**Statement of Work.** The complete description of work to be performed under a contract, encompassing all specifications and standards established or referenced in the contract.

**Unacceptable Proposal.** A proposal which (1) does not represent a reasonable initial effort to address essential solicitation requirements; (2) clearly demonstrates that the offeror does not understand or has failed to respond to the solicitation requirements; (3) contains substantial deficiencies or omissions such that sufficient correction or improvements to make the proposal acceptable would virtually require a new proposal; or (4) contains major technical or business deficiencies, or out-of-line costs, which discussions with the offeror could not reasonably be expected to cure.

**Weighting.** The techniques used to assign percentages or numerical values to evaluation factors and significant subfactors, and, when applied to a proposal, to assist in the rating or ranking of that proposal in the evaluation process.

**Work Breakdown Structure.** A basic framework, similar to a table of contents, which outlines, divides, and subdivides to successively lower levels, the Government's requirements as set forth in the scope or statement of work. Permits a logical arrangement of the elements in the scope or statement of work, and a tracing of work effort and costs proposed by each offeror under each of the elements.